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DEPARTMENT FOR EUR/SE

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SUBJECT: CYPRUS: UN ENVOY CRITIQUES SETTLEMENT TALKS

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Classified By: Ambassador Frank C. Urbancic, Reasons 1.4 (b), (d)

11. (C) SUMMARY. In a spirited and friendly exchange of views, UN Special Envoy Alexander Downer on January 14 told visiting EUR Deputy Assistant Secretary Matthew Bryza that Cypriot leaders Demetris Christofias and Mehmet Ali Talat had made measurable progress in settlement discussions, although they had not made a major breakthrough. Downer believed the talks were picking up momentum, with Talat needing to demonstrate progress by April's "parliamentary" elections and a settlement by "presidential" elections in spring 2010. Christofias, as well, would need to secure a settlement, or risk losing the support that had won him the presidency. The Governance chapter had proven more difficult than expected, Downer conceded, which he attributed to the sides' unhelpful practice of splitting hairs on semantics. Looking forward, the UN envoy considered the Property discussion a tough nut, but Territory reasonably straightforward; movement on both could be affected by Talat's political troubles, however. The Annan Plan remained a useful benchmark for the UN team, although it could never become a basis for the negotiations because of continued G/C heartburn toward it. Downer reported considerable movement on the possible opening of a Buffer Zone crossing at Limnitis, and thought a deal on improving the Ledra Street crossing would follow thereafter. As to how the U.S. might best spur the process, he thought a push in Ankara, especially via military-to-military contacts, the best avenue. END SUMMARY.

Reasonably Pleased, Guardedly Optimistic

12. (C) At an Ambassador-hosted lunch in honor of visiting DAS Bryza and attended by the local UN brain trust, Special Envoy Alexander Downer recounted progress earned since the September 3 start of full-fledged Cyprus negotiations and the challenges that lay ahead. While neither the leaders nor the United Nations were chilling champagne, they had reached convergence on a number of sub-chapters of the Governance topic, and relations between Talat, Christofias, and their negotiators remained constructive. Downer had worked closely with the leaders on their reasonably positive year-end declaration -- "although I wouldn't have written it exactly that way," he clarified. UNFICYP SRSR Taye-Brook Zerihoun had taken a similar approach on a recent post-meeting statement extolling progress on "hierarchy of laws" and "harmonization and cooperation between the federal government and constituent states," (Reftel), aiming to improve atmospherics and preserve momentum. Both men therefore were troubled by Christofias's recent public assertions that the sides had made few advances. "Perhaps he's playing to the hard-liners to prove he won't sell out Greek Cypriots," Downer surmised, although he thought little of the tactic.

13. (C) Governance had proven tough. Christofias and Talat had spent many hours debating what Downer termed CyProb semantics -- the existence on the island of peoples (with the right of self-determination) or communities (without), the origin of sovereignty, the meaning of "constituent state," and whether the T/Cs were isolated or only felt that way. To the blunt-spoken Australian Downer, this was time wasted. As to positives, a recent G/C paper on breaking deadlocks in the legislative and judicial branches looked promising, and he hoped the Turkish Cypriots would respond positively at the next scheduled meeting. (Note: Media on January 16 reported progress on this matter).

14. (C) Unquestionably, the sides would have inked greater advances had they utilized the Annan Plan as a starting point, Downer alleged. Continuing G/C demonization of the Plan made that "concession" unthinkable, however. The UN envoy's impressions of the 2004 work were mixed. Any new plan must be shorter, simpler, and sell-able to the masses. "There's no earthly reason for us trying to reach agreement on the words to the national anthem," for example.

Subjects Don't Get Easier

15. (C) Negotiators would conclude Governance deliberations shortly and move to Property. "Property looks extremely hard," Downer admitted -- far more difficult than during the Annan Plan era, owing to development in the north. Talat's brewing political troubles threatened progress, he thought. Downer thought Talat's CTP would lose seats in the April 19

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"parliamentary" elections owing the rapidly failing T/C economy and widespread public belief that the "government" was at fault. The T/C leader likely needed tangible, sell-able negotiations "victories" to improve the party's chances. It was for this very reason that Christofias's "no advances" remarks were harmful.

16. (C) As the UN understood, Talat currently enjoyed "fast-track" negotiations authorities. A "government/parliament" controlled by the nationalist UBP could revoke such privileges, however, complicating the T/C leader's life immensely. Further, "parliamentary" approval was required of all referenda in the "TRNC" -- and the settlement would require a rank-and-file vote. All told, while a CTP loss did not spell automatic derailment of the Cyprus negotiations, Downer concluded, it would represent a detour.

How Can We Help? "With Turkey," Of Course

17. (C) Washington's greatest contribution to settlement talks lay in squeezing greater flexibility from the Turks, Downer offered. He acknowledged the limits of U.S. influence in Ankara, but noted that no country nor the UN had the same access. Military-to-military contacts seemed the most productive, especially since Turkish General Staff buy-in was imperative for security- and troop withdrawal-related elements of any arrangements. Downer praised notorious hard-liner Ertugul Apakan, the GoT's point-man on Cyprus, whom he called a straight-shooter. When Apakan insisted that Talat had free rein to negotiate constitutional matters -- and that continuing the Treaty of Guarantee was Ankara's only red line -- Downer had believed him. UNFICYP Chief of Staff Gerard Hughes was less sanguine over the possibility of anyone influencing the Turkish generals. Bryza outlined the limited nature of U.S. leverage over Ankara, noting U.S. influence derived more from a long-term collaborative relationship than pressure. American goodwill in Turkey had improved since the beginning of enhanced PKK-related intel sharing, Bryza agreed, but this was an asset to be expended

sparingly. He noted that Ankara seemed to have afforded Talat considerable negotiating space; the Turkish military's red lines seemed to be unyielding insistence on maintaining the Treaty of Guarantee and a Turkish presence on the island.

Better News on CBMs

¶18. (C) Confidence-building Measures (CBMs) like opening the Limnitis BZ crossing were secondary settlement matters, Downer argued. Nonetheless, the Turkish Cypriots' refusal to temporarily open Limnitis to northbound church worshippers in September and continued inability to reach agreement on its eventual establishment had cast a pall on the process. "(Chief G/C negotiator George) Iacovou felt betrayed, and has held up progress on other CBMs since," the UN envoy revealed. Negotiators had made progress in recent weeks, however, and the remaining sticking point surrounded deliveries of supplies through Limnitis to the T/C military envoy of Kokkina. Greek Cypriots seemingly would permit food and other consumables to pass, but were still drawing the line at gasoline, "which could fuel weapons to use against Greek Cypriots," Downer explained. The UN team was visiting local Turkish forces commander LTG Zorlu immediately after the lunch and intended to follow up.

¶19. (C) Divergent positions also plagued Phase II of the Ledra Street crossing, which entailed shoring up the decrepit buildings abutting the passage. Turkish Cypriots approved of facade fixes and other structural work to protect pedestrians, but opposed full restoration of the buildings, a G/C demand. Downer thought that agreement on Limnitis would bring movement on Ledra Phase II. Other CBMs were stalled, however. Zerihoun blamed the impasse on the G/Cs, who were refusing any contact with "TRNC officials." Workarounds -- identifying qualified NGOs in the north which might carry out the work instead of the "government," primarily -- were constrained by the paucity of qualified organizations.

¶10. (U) DAS Bryza has cleared this message.
Urbancic